

UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

<b>PALLADIUM BOOKS, INC.,</b>	)	
a Michigan corporation,	)	Case No. 10-11859
Plaintiff,	)	Hon. Julian Abele Cook, Jr.
	)	Magistrate Judge Paul J. Komives
<b>v.</b>	)	
	)	
<b>TRION WORLDS, INC.,</b>	)	
a Delaware corporation, and	)	
<b>TRION WORLD NETWORK, INC.,</b>	)	
a Delaware corporation,	)	
Defendants.	)	

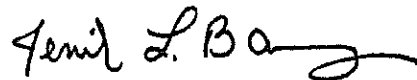
**DECLARATION OF JENNIFER L. BARRY**

I, Jennifer L. Barry, declare as follows:

1. I am an attorney with the law firm of Latham & Watkins LLP, counsel for Defendant Trion Worlds, Inc. in this matter. I have personal knowledge of the information set forth below and, if called as a witness, could and would testify competently thereto.

2. Attached to this declaration as **Exhibit A** is a true and correct copy of the Complaint for Declaratory Judgment and Cancellation of Federal Registrations filed in the Northern District of California on June 3, 2010. This action has been assigned Case No. 10-cv-02466-JCS and has been assigned to Magistrate Judge Joseph C. Spero.

I declare under the penalty of perjury of the laws of the United States that the foregoing is true and correct. This declaration was executed on June 6, 2010 in Chula Vista, California.



---

Jennifer L. Barry

CERTIFICATE OF SERVICE

I hereby certify that on June 7, 2010, I electronically filed the foregoing papers with the Clerk of the Court using the ECF system.

s/ Nicholas B. Gorga

Nicholas B. Gorga (P72297)  
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DETROIT.4221186.1

# **Exhibit A**

**FAKED**

**ORIGINAL**

**FILED**

JUN - 3 2010

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CLERK, U.S. DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA

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**E-filing**

UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION

**JCS**

TRION WORLDS, INC., a Delaware  
corporation,

Plaintiff,

v.

PALLADIUM BOOKS, INC., a Michigan  
corporation,

Defendant.

**CV 10 2466**  
COMPLAINT FOR:

(1) DECLARATORY JUDGMENT OF  
NONINFRINGEMENT OF TRADEMARK,  
NO FALSE DESIGNATION OF ORIGIN,  
AND NO UNFAIR COMPETITION

(2) DECLARATORY JUDGMENT THAT  
TRADEMARK REG. NO. 2,889,353 IS  
DESCRIPTIVE AND UNENFORCEABLE

(3) CANCELLATION OF FEDERAL  
TRADEMARK REG. NOS. 2,045,806;  
3,036,181; AND 3,213,944

**DEMAND FOR JURY TRIAL**

Plaintiff, Trion Worlds, Inc. ("Trion Worlds" or "Plaintiff"), for its Complaint  
against Palladium Books, Inc. ("Palladium Books" or "Defendant"), alleges as follows:

**JURISDICTION, VENUE AND INTRADISTRICT ASSIGNMENT**

1  
2 1. This is a civil action seeking declaratory relief pursuant to the Declaratory  
3 Judgment Act, 28 U.S.C. § 2201 (1) of non-infringement of trademark, no false designation of  
4 origin, and no unfair competition under the Lanham Act, 15 U.S.C. § 1114(a) and 15 U.S.C.  
5 § 1125(a); and (2) that Defendant's Registered Trademark No. 2,889,353 is descriptive, lacks  
6 secondary meaning, and is unenforceable. This action is also seeking the cancellation of  
7 Defendant's Registered Trademarks Nos. 2,045,806; 3,036,181; and 3,213,944 under 15 U.S.C.  
8 § 1064 and 15 U.S.C. § 1119. Pursuant to 28 U.S.C. § 1338(a), this Court has subject matter  
9 jurisdiction over the claims arising from the Lanham Act.

10 2. This Court has personal jurisdiction over Defendant because Defendant has  
11 sufficient minimum contacts in the State of California to satisfy California's long-arm statute  
12 and Constitutional due process requirements.

13 3. Venue in this Court exists under 28 U.S.C. § 1391(b)(1), as Defendant resides in  
14 this District, as well as under subsection (b)(2) because a substantial part of the events giving  
15 rise to the claims alleged in this Complaint occurred in this District.

16 4. Pursuant to Local Rule 3-2, this action may be assigned to the San Francisco  
17 division because the events alleged herein took place in San Mateo County, or may be assigned  
18 district-wide because the Complaint involves intellectual property.

19 **PARTIES**

20 5. Plaintiff is a Delaware corporation having its principal place of business at 303  
21 Twin Dolphin Drive, Suite 500, Redwood City, California 94065.

22 6. On information and belief, Defendant is a Michigan corporation having its  
23 principal place of business at 39074 Webb Court, Westland, Michigan 48185.

24 **FACTS COMMON TO ALL CLAIMS FOR RELIEF**

25 **Trion Worlds and the "Rift: Planes of Telara" MMO Game**

26 7. Trion Worlds is a cutting edge developer of connected video games. Formed in  
27 2006, Trion Worlds is currently developing three server-based massively multiplayer online  
28 ("MMO") games, including its highly-anticipated "Rift: Planes of Telara" fantasy game (the

1 “R:PoT Game”).

2 8. The R:PoT game is still under development, and is not yet operational. When the  
3 R:PoT Game is launched, it will involve thousands of participants interacting and playing online.

4 9. In late 2009, Trion Worlds decided on the “Rift: Planes of Telara” title, as that  
5 name appropriately captured the theme and storyline of the game, which involves a rich  
6 medieval world with swordplay, dragons, and magic, that is being torn apart by mysterious  
7 dimensional rifts.

8 10. The R:PoT game is marketed under the “Rift: Planes of Telara” mark in  
9 conjunction with the “Trion Worlds” house mark.

10 11. Trion Worlds launched the official website for the R:PoT Game on April 26,  
11 2010, amidst much media fanfare. The website contains screenshots, concept art, short videos,  
12 descriptions of the game’s storyline and characters, and user forums.

13 12. Trion Worlds intends to feature its R:PoT Game at the upcoming 2010 E3 trade  
14 show, which is scheduled to be held in mid-June in Los Angeles.

15 13. Plaintiff is the owner of Application Serial Number 85/020022 for the **RIFT:**  
16 **PLANES OF TELARA** mark for “*entertainment services, namely, providing online video*  
17 *games and computer games*” in Class 41.

18 **Palladium Books and its “Rifts” Books**

19 14. Palladium Books is a Michigan-based corporation that publishes books about  
20 various “pen and paper” role-playing games, all of which take place in the same “Megaverse”  
21 and follow the same set of master rules.

22 15. According to its website, Palladium Books released a book entitled “Rifts” in  
23 1990. The title “Rifts” apparently describes a key premise of the story: “The Earth we once  
24 knew is gone. It has joined the larger fraternity of magical worlds in the Megaverse® connected  
25 to countless alien worlds and dimensions via the Rifts and realities cross into one another.”

26 16. The cover of the original “Rifts” book included a phrase identifying the publisher  
27 – “Palladium Books presents:” – preceding the title. Over the next few years, Palladium Books  
28 created several other books in the “Rifts” series which also included the same “house mark”

1 language and sometimes included a subtitle located beneath the “Rifts” title.

2 17. With the advent of computers and video game consoles, Palladium Books’ “pen  
3 and paper” games became less relevant, and do not appear to enjoy much commercial success  
4 anymore.

5 18. Palladium Books and its RIFTS products are not well known outside of the small,  
6 insular world of “pen and paper” role-playing games, and even within that market Palladium  
7 Books and the RIFTS products do not have widespread recognition.

8 19. The RIFTS books apparently had a brief period of renewed excitement in 2003  
9 when it was announced that Walt Disney Studios had optioned the books for a potential movie,  
10 but nothing has come of that relationship during the ensuing *seven years*, and there is nothing to  
11 indicate that a movie based on the RIFTS books will ever be produced.

12 20. The RIFTS books have never been adapted into a computer or video game that  
13 experienced any level of success. Apparently a “RIFTS Game Master Companion” program was  
14 released in 1995, but this software was not a game, and was actually a basic utility program that  
15 aided customers in using the “pen and paper” RIFTS books. This software was apparently pulled  
16 from the market after only a few months.

17 21. In 2005, Palladium Books apparently developed a game for the Nokia N-Gage  
18 cell phone entitled “Rifts: Promise of Power.” However, by Defendant’s own admission, this  
19 game was “stillborn” and not available in North America. In fact, Defendant has conceded that it  
20 “required an act of God” to find this game anywhere in North America.

21 22. Plaintiff has been unable to locate any outlet offering the “Promise of Power” cell  
22 phone game or the “Rifts Game Master Companion” software utility for purchase anywhere in  
23 the United States.

24 23. On information and belief, Defendant has never had any serious plans or  
25 negotiations with a game developer to adapt the RIFTS books into an MMO or other online or  
26 video game.

27 24. The concept of inter-dimensional “rifts” is an extremely common theme in the  
28 sci-fi and fantasy genres, and has been used in numerous books, movies, tv shows, “pen and

paper” games and video games, many of which long predate Palladium Books’ use of the term.

25. Palladium Books’ RIFTS mark is descriptive and lacks secondary meaning, since it merely describes the common sci-fi/fantasy storytelling element of inter-dimensional rifts that is used throughout Palladium Books’ RIFTS products.

Palladium Books’ Trademark Registrations

26. Defendant claims to be the owner of several federal registrations, including:

- No. 2,045,806 for the RIFTS mark for “*computer game software and computer game programs containing role playing games involving science fiction or fantasy adventures, or involving character generation or scenario generation*” in Class 28 (registered March 18, 1997) (the “806” Registration).
- No. 3,036,181 for the RIFTS mark for “*Production of motion pictures, television programs, videotapes and DVDs involving science fiction and fantasy adventures*” in Class 41 (registered December 27, 2005) (the “181” Registration).
- No. 2,889,353 for the RIFTS mark for “*Books, manuals and comic books containing role playing games involving science fiction or fantasy adventures, rules and data for playing role playing games, and novels and other books that contain such games, characters, or settings*” in Class 16 (registered September 28, 2004) (the “353” Registration).
- No. 3,213,944 for the PROMISE OF POWER mark for “*Video game cartridges; video game discs; video game interactive control floor pads or mats; video game interactive remote control units; video game joysticks; video game machines for use with televisions; video game software; video game tape cassettes*” in Class 9 and “*games and toys, namely, role playing and fantasy games; collectible card games; trading card games; action figure games; board games; game materials, namely, game equipment, instruction and game tip manuals; toy action figures and accessories*”



1                    *therefor; toy miniature figures; toy armor; toy weapons; toy vehicles;*  
2                    *electrical and mechanical toys; video game machines, namely, handheld*  
3                    *and stand alone units” in Class 28. (registered February 27, 2007) (the*  
4                    *“‘944” Registration).*

5                    **The Parties’ Respective Products and the MMO Market**

6                    27. Plaintiff’s “Rift: Planes of Telara” MMO game and Defendant’s RIFTS series of  
7                    “pen and paper” game books are highly distinct products, and the use of the term “rift” in both  
8                    titles is not likely to confuse consumers.

9                    28. The “Rift: Planes of Telara” game includes the unique and memorable subtitle  
10                  “Planes of Telara” that allows potential customers to easily distinguish it from any of  
11                  Defendant’s products.

12                  29. The “Rift: Planes of Telara” game is promoted on a website in conjunction with  
13                  Trion Worlds’ prominent house mark, and Defendant’s books generally appear to either have a  
14                  statement reading “Palladium Books Presents:” on the cover or the Palladium Books logo. The  
15                  consistent and conspicuous use of house marks by both parties clearly distinguishes their  
16                  respective products.

17                  30. Video game enthusiasts generally refer to MMO games using acronyms. For  
18                  example, one of the most popular MMO games, “World of Warcraft,” is often referred to as  
19                  “WoW.” Similarly, gamers have already begun to refer to the upcoming “Rift: Planes of Telara”  
20                  game as “R:PoT” and will likely continue to do so. Defendant offers no products with the  
21                  “R:PoT” acronym, and thus consumers are unlikely to confuse the parties’ respective products.

22                  31. Plaintiff’s R:PoT Game is an MMO game that involves cutting-edge graphics,  
23                  thousands of people interacting with each other, and is played on a computer. In contrast,  
24                  Defendant’s RIFTS “pen and paper” games are played a few people by sitting around a table,  
25                  rolling dice, and talking about characters.

26                  32. The R:PoT Game takes place in the imaginary world of “Telara” and involves  
27                  interactions with elves, monsters, and swordplay. Defendant’s RIFTS series of books takes place  
28                  in a future, post-apocalyptic version of earth, and involves interactions with robots, cyborgs, and

1 futuristic weapons.

2 33. Consumers of MMO games are extremely sophisticated and knowledgeable about  
3 them, and it is not uncommon for consumers to commit hundreds or even thousands of hours per  
4 year playing to build their status in the online world.

5 34. Given the considerable amount of time expended, consumers exercise a high  
6 degree of care in selecting which games they subscribe to. Entire websites are devoted to the  
7 topic and gamers usually actively participate in forums and chatrooms to discuss games in detail.

8 35. Consequently, MMO game users are extremely unlikely to purchase or use a  
9 game they are unfamiliar with and have not researched, and would never mistake Plaintiff's  
10 cutting-edge MMO video game for Defendant's "pen and paper" game books.

11 **Palladium Books' Prosecution of the '353 Registration**

12 **The '353 Registration is Not Incontestable**

13 36. On October 23, 2003 Palladium Books filed a trademark application which  
14 eventually matured into the '353 Registration on September 28, 2004.

15 37. According to the USPTO records available as of June 3, 2010, Palladium Books  
16 had not yet satisfied the requirements under 15 U.S.C. § 1065 to obtain incontestable status for  
17 that registration.

18 **Palladium Books' Prosecution of the '806 Registration**

19 **The '806 Registration was Obtained Through Fraud**

20 38. On March 4, 1996, Palladium Books filed a use-based application to register  
21 **RIFTS** for "*computer game software and programs containing role playing games involving*  
22 *science fiction or fantasy adventures, or involving character generation or scenario generation*"  
23 in Class 9. The '806 Registration claimed a first use date of May 31, 1995.

24 39. In response to an office action, Palladium Books amended the statement of goods  
25 to "*computer game software and computer game programs containing role playing games*  
26 *involving science fiction or fantasy adventures, or involving character generation or scenario*  
27 *generation*" in Class 28.

28 40. As specimens to support the underlying application for the '806 Registration,

1 Palladium Books filed copies of disk labels, a page from an instructional manual, and a license  
2 terms sheet for a program called **RIFTS GAME MASTER COMPANION**.

3 41. By and through its application, response to the office action, and submitted  
4 specimens, Palladium Books represented to the USPTO that it was using the mark in commerce  
5 on or in connection with "*computer game software and computer game programs containing*  
6 *role playing games involving science fiction or fantasy adventures, or involving character*  
7 *generation or scenario generation*" and that the adopted statement of goods accurately described  
8 the submitted specimens. Palladium Books made those representations to induce the USPTO to  
9 issue the '806 Registration. Those representations were material to the issuance of the '806  
10 Registration, and on information and belief, the USPTO relied on those representations in issuing  
11 the '806 Registration under Registration Number 2,045,806 on March 18, 1997.

12 42. By its own admission on its website at <[http://www.palladium-](http://www.palladium-megaverse.com/cuttingroom/rgmc/rgmc2.html)  
13 [megaverse.com/cuttingroom/rgmc/rgmc2.html](http://www.palladium-megaverse.com/cuttingroom/rgmc/rgmc2.html)>, the goods listed in, and the specimens used to  
14 support the '806 Registration were not actually in use at the time the application for the '806  
15 Registration was filed. Specifically, the text in <[http://www.palladium-](http://www.palladium-megaverse.com/cuttingroom/rgmc/rgmc2.html)  
16 [megaverse.com/cuttingroom/rgmc/rgmc2.html](http://www.palladium-megaverse.com/cuttingroom/rgmc/rgmc2.html)> states "The [**RIFTS GAME MASTER**  
17 **COMPANION**] software made it to the market but only lasted a few months before it was  
18 pulled due to bugs." Further, based on the user manual for the **RIFTS GAME MASTER**  
19 **COMPANION** available on the Palladium Books website, the **RIFTS GAME MASTER**  
20 **COMPANION** cannot accurately be described as "*computer game software*" or a "*computer*  
21 *game program*."

22 43. Thus, Palladium Books' representations to the USPTO that it was using the mark  
23 in commerce on or in connection with "*computer game software*" or "*computer game programs*"  
24 and that the adopted statement of goods accurately described the submitted specimens were false,  
25 Palladium Books knew those representations were false when they were made, and Palladium  
26 Books made those representations with the intent to deceive the USPTO.

27 The '806 Registration was Maintained Through Fraud

28 44. On February 18, 2003, Palladium Books filed its Combined Declaration of Use

1 and Incontestability under Sections 8 and 15 (the “8 & 15 Declaration”) to maintain its ‘806  
2 Registration. In the 8 & 15 Declaration, Palladium Books made verified statements about its use  
3 of the ‘806 Registration on all of the goods listed in the application and subsequent registration.  
4 Specifically, Palladium Books stated, “The owner has used the mark in commerce for five  
5 consecutive years after the date of registration, or the date of publication under Section 12(c),  
6 and is still using the mark in commerce on or in connection with all goods and/or services listed  
7 in the existing registration.”

8 45. As specimens to support the 8 & 15 Declaration, Palladium Books submitted  
9 images described as “JPEG image of RIFTS Role-Playing Game book from  
10 www.palladiumbooks.com catalog.” On information and belief, the submitted specimens  
11 depicted a book released in or about 1990, not “*computer game software*” or “*computer game*  
12 *programs*.”

13 46. By and through its 8 & 15 Declaration and accompanying submitted specimens,  
14 Palladium Books represented to the USPTO that it had used the mark in commerce for five  
15 consecutive years after the date of registration, or the date of publication under Section 12(c),  
16 and was still using the mark in commerce on or in connection with all goods and/or services  
17 listed in the ‘806 Registration and that the submitted specimens evidenced that use. Palladium  
18 Books made those representations to induce the USPTO to allow Palladium Books to maintain  
19 the ‘806 Registration and to accept Palladium Books’ affidavit under 15 U.S.C. § 1065(3).  
20 Those representations were material to the maintenance of the ‘806 Registration and acceptance  
21 of the affidavit under 15 U.S.C. § 1065(3), and on information and belief, the USPTO relied on  
22 those representations in allowing Palladium Books to maintain the ‘806 Registration and accept  
23 the affidavit under 15 U.S.C. § 1065(3).

24 47. By its own admission as explained in Paragraph 42 above, Palladium Books  
25 “pulled [the **RIFTS GAME MASTER COMPANION**] from the market” shortly after  
26 launching the program in 1995, and even setting aside when it was “pulled from the market,” the  
27 specimen submitted did not support the application for the ‘806 Registration in the first instance.  
28 As explained above, the specimens submitted with Palladium Books’ 8 & 15 Declaration depict

1 a book, not "*computer game software*" or "*computer game programs.*" On information and  
2 belief, during the time period from issuance of the '806 Registration to the filing of the 8 & 15  
3 Declaration, Palladium Books did not use the mark in commerce on or in connection with any  
4 other goods and/or services fitting the description listed in the '806 Registration.

5 48. Based on the foregoing, Palladium Books' representations to the USPTO that it  
6 had used the mark in commerce for five consecutive years on or in connection with all goods  
7 and/or services listed in the '806 Registration, that it was still using the mark in commerce on or  
8 in connection with those goods and/or services, and that the specimens submitted evidenced that  
9 use were false, Palladium Books knew those representations were false when they were made,  
10 and Palladium Books made those representations with the intent to deceive the USPTO.

11 The '806 Registration was Renewed Through Fraud

12 49. On February 12, 2007, Palladium Books filed its Combined Declaration of Use In  
13 Commerce & Application For Renewal of Registration Under Sections 8 and 9 (the "Renewal  
14 Declaration") to renew the '806 Registration. The Renewal Declaration specifically states, "...  
15 the owner, or its related company, is using the mark in commerce on or in connection with the  
16 goods and/or services identified [in the '806 Registration] as evidenced by the attached  
17 specimen(s) showing the mark as used in commerce."

18 50. As a specimen to support the Renewal Declaration, Palladium Books submitted an  
19 image described as a "Digital image of RIFTS game book." On information and belief, the  
20 submitted specimen depicted a book released in or about 2005, not "*computer game software*" or  
21 "*computer game programs.*"

22 51. By and through its Renewal Declaration and accompanying submitted specimen,  
23 Palladium Books represented to the USPTO that it was still using the mark in commerce on or in  
24 connection with all goods and/or services listed in the '806 Registration and that the submitted  
25 specimen evidenced that use. Palladium Books made those representations to induce the USPTO  
26 to renew the '806 Registration. Those representations were material to the renewal of the '806  
27 Registration, and on information and belief, the USPTO relied on those representations in  
28 renewing the '806 Registration.

52. As explained above in, Palladium Books had not previously used the mark in commerce on or in connection with all goods and/or services listed in the '806 Registration. Also as explained above, the specimen submitted with Palladium Books' Renewal Declaration depicts a book, not "*computer game software*" or "*computer game programs.*" On information and belief, during the time period leading up to and at the filing of the Renewal Declaration, Palladium Books had not used and was not using the mark in commerce on or in connection with any other goods and/or services fitting the description listed in the '806 Registration.

53. Based on the foregoing, Palladium Books' representations to the USPTO that it was using the mark in commerce on or in connection with all goods and/or services listed in the '806 Registration and that the specimen submitted evidenced that use were false, Palladium Books knew those representations were false when they were made, and Palladium Books made those representations with the intent to deceive the USPTO.

#### The Prosecution of the '181 Registration

##### The '181 Registration was Obtained Through Fraud

54. On July 9, 2002, Palladium Books filed an intent-to-use based application to register **RIFTS** for "*production of motion pictures, television programs, videotapes and DVDs involving science fiction and fantasy adventures*" in Class 41.

55. The USPTO published the application on January 21, 2003, and issued a notice of allowance on April 15, 2003.

56. Because the '181 Registration was based on an intent-to-use the mark, after the mark was published, Palladium Books was required to file a statement of use before the '181 Registration would be granted. A maximum of five (5) six-month extensions of time were available to Palladium Books.

57. After filing four extension requests (and after having "unintentionally" abandoned the application and later reviving it), Palladium Books filed on October 14, 2005 a Statement of Use.

58. In the Statement of Use, Palladium Books stated it was "using . . . the mark in commerce on or in connection with the goods [services] . . ." listed in the application (*production*



1 of motion pictures, television programs, videotapes and DVDs involving science fiction and  
2 fantasy adventures in Class 41); and that the '181 Registration was "first used . . . at least as  
3 early as August 18, 2005" and that the mark "is still in use."

4 59. By and through its Statement of Use, accompanying declaration and specimens,  
5 Palladium Books represented to the USPTO that it had used the mark in commerce in connection  
6 with "*production of motion pictures, television programs, videotapes and DVDs involving*  
7 *science fiction and fantasy adventures*," and was still using the mark in commerce on or in  
8 connection with all the goods and/or services listed in the application, and that the submitted  
9 specimens evidenced that use. Palladium Books made those representations to induce the  
10 USPTO to allow Palladium Books to obtain the '181 Registration. Those representations were  
11 material to the issuance of the '181 Registration, and on information and belief, the USPTO  
12 relied on those representations in issuing the '181 Registration Number 3,036,181 on December  
13 27, 2005.

14 60. Knowing its Statement of Use and supporting evidence was false, four minutes  
15 after filing the Statement of Use on October 14, 2005, Palladium Books also filed a fifth request  
16 for extension of time stating that "[a] Statement of Use is being submitted along with the  
17 Extension request as evidence that applicant believes that it has made valid use of the mark in  
18 commerce. If the USPTO finds the Statement of Use to be fatally defective, the applicant  
19 requests additional time to file an amended or substitute Statement of Use."

20 61. By its own admission in an open letter in its on-line forum at  
21 <<http://forums.palladium-megaverse.com>>, the services listed in, and the specimens used to  
22 support the '181 Registration were not actually in use at the time the Statement of Use (or  
23 application) for the '181 Registration was filed. Specifically, in the text in  
24 <<http://forums.palladium-megaverse.com>>, Palladium Books' president, Kevin Siembieda states  
25 that the video game was "stillborn" and not available in the United States. Further, Siembieda  
26 stated the **RIFTS: Promise of Power** game (depicted in the specimen of use) "never took off in  
27 North America. . . and would NOT be available on the mass market in the USA . . ." and that  
28 "[f]inding it anywhere in North America required an act of God."

1           62. Based on the foregoing, Palladium Books' representations to the USPTO that it  
2 was using the mark in commerce on or in connection with "*production of motion pictures,*  
3 *television programs, videotapes and DVDs involving science fiction and fantasy adventures*" and  
4 that the submitted specimens evidenced such use were false, Palladium Books knew those  
5 representations were false when they were made, and Palladium Books made those  
6 representations with the intent to deceive the USPTO.

7                           **The Prosecution of the '944 Registration**

8                           **The '944 Registration was Obtained Through Fraud**

9           63. On October 20, 2004, Palladium Books filed an application to register PROMISE  
10 OF POWER for "*video game cartridges; video game discs; video game interactive control floor*  
11 *pads or mats; video game interactive remote control units; video game joysticks; video game*  
12 *machines for use with televisions; video game software; videogame tape cassettes* in Class 9 and  
13 *games and toys, namely, role playing and fantasy games; collectible card games; trading card*  
14 *games; action figure games; board games; game materials, namely, game equipment, instruction*  
15 *and game tip manuals; toy action figures and accessories therefor; toy miniature figures; toy*  
16 *armor; toy weapons; toy vehicles; electrical and mechanical toys; video game machines, namely,*  
17 *handheld and stand alone units*" in Class 28.

18           64. The USPTO published the application on September 27, 2005, and issued a notice  
19 of allowance on December 20, 2005.

20           65. Because the '944 Registration was based on an intent to use the mark, after the  
21 mark was published, Palladium Books was required to file a Statement of Use before the '944  
22 Registration would be granted. Palladium Books filed that Statement of Use on June 19, 2006.

23           66. In the Statement of Use states Palladium Books stated it was "using. . . the mark  
24 in commerce on or in connection with the goods . . ." listed in the application, and that the '944  
25 Registration was "first used . . . at least as early as January 1, 2006" and that the mark "is still in  
26 use," and that the mark is in use as evidenced in the specimen submitted with the Statement of  
27 Use.

28           67. By and through its Statement of Use, accompanying declaration and specimens,



1 Palladium Books represented to the USPTO that it had used the mark in commerce connection  
2 with all the goods listed in the application, and that the submitted specimens evidenced that use.  
3 Palladium Books made those representations to induce the USPTO to allow Palladium Books to  
4 obtain the '944 Registration. Those representations were material to the issuance of the '944  
5 Registration, and on information and belief, the USPTO relied on those representations in issuing  
6 the '944 Registration Number 3,213,944 on February 27, 2007.

7 68. The Statement of Use was also accompanied by a specimen of use described as a  
8 "snapshot of website advertising RIFTS: Promise of Power video game, with photo of Mark on  
9 product."

10 69. On December 15, 2006, Palladium Books submitted a specimen for the Class 28  
11 goods, specifically an excerpt from a user guide for the game.

12 70. On information and belief, the mark in the '944 Registration was not in use for all  
13 of the goods covered in the application and notice of allowance, specifically, *video game*  
14 *cartridges; video game discs; video game interactive control floor pads or mats; video game*  
15 *interactive remote control units; video game joysticks; video game machines for use with*  
16 *televisions; video game software; videogame tape cassettes* in Class 9 and *games and toys,*  
17 *namely, role playing and fantasy games; collectible card games; trading card games; action*  
18 *figure games; board games; game materials, namely, game equipment, instruction and game tip*  
19 *manuals; toy action figures and accessories therefor; toy miniature figures; toy armor; toy*  
20 *weapons; toy vehicles; electrical and mechanical toys; video game machines, namely, handheld*  
21 *and stand alone units* in Class 28.

22 71. By its own admission in an open letter in its on-line forum at  
23 <http://forums.palladium-megaverse.com>, the services listed in, and the specimens used to  
24 support the '944 Registration, were not actually in use at the time the Statement of Use (or  
25 application) for the '944 Registration was filed. Specifically, in the text in  
26 <http://forums.palladium-megaverse.com>, Palladium Books' president, Kevin Siembieda states  
27 that the video game was "stillborn" and not available in the United States. Further, Siembieda  
28 stated the **RIFTS: Promise of Power** game (depicted in the specimen of use) "never took off in

1 North America. . . and would NOT be available on the mass market in the USA . . .” and that  
2 “[f]inding it anywhere in North America required an act of God.”

3 72. Based on the foregoing, Palladium Books’ representations to the USPTO that it  
4 was using the mark in commerce on or in connection with “*video game cartridges; video game*  
5 *discs; video game interactive control floor pads or mats; video game interactive remote control*  
6 *units; video game joysticks; video game machines for use with televisions; video game software;*  
7 *videogame tape cassettes* in Class 9 and *games and toys, namely, role playing and fantasy*  
8 *games; collectible card games; trading card games; action figure games; board games; game*  
9 *materials, namely, game equipment, instruction and game tip manuals; toy action figures and*  
10 *accessories therefor; toy miniature figures; toy armor; toy weapons; toy vehicles; electrical and*  
11 *mechanical toys; video game machines, namely, handheld and stand alone units”* in Class 28  
12 and that the submitted specimens evidences such use were false, Palladium Books knew those  
13 representations were false when they were made, and Palladium Books made those  
14 representations with the intent to deceive the USPTO.

#### 15 Procedural History

16 73. Palladium Books filed a complaint against Trion Worlds on May 7, 2010 in the  
17 Eastern District of Michigan alleging various trademark-related claims, including infringement  
18 of the ‘806, ‘181, and ‘353 Registrations.

19 74. Palladium filed an amended complaint in the Eastern District of Michigan on  
20 May 27, 2010.

21 75. Trion Worlds filed a motion to dismiss the Michigan action for lack of personal  
22 jurisdiction and improper venue, and in the alternative to transfer venue to the Northern District  
23 of California and to dismiss Palladium Books’ trademark dilution claim for failure to state a  
24 claim on May 31, 2010.

#### 25 FIRST CLAIM FOR RELIEF

#### 26 Declaratory Judgment Act, 28 U.S.C. § 2201

27 **Declaration of Noninfringement, No False Designation of Origin, and No Unfair**

28 **Competition**

1           76.     Trion Worlds incorporates by reference paragraphs 1 through 75 above as  
2 though fully set forth herein.

3           77.     An actual and justiciable controversy has arisen and now exists between Trion  
4 Worlds and Palladium Books concerning their respective rights and duties with respect to (i) the  
5 marks used by Trion Worlds in connection with the R:PoT Game, and (ii) Palladium Books'  
6 RIFTS and PROMISE OF POWER marks, (collectively, (i)-(ii) are "the Marks").

7           78.     Trion Worlds desires a judicial determination of its rights and duties and a  
8 declaration as to the parties' rights and obligations with respect to the Marks.

9           79.     A judicial determination is necessary and appropriate at this time under the  
10 circumstances so that Trion Worlds may ascertain its rights and duties with respect to the  
11 Marks.

12           80.     Trion Worlds has not and does not infringe any valid trademark rights that  
13 Palladium Books may have in the Marks. Trion Worlds' use of any of the Marks is not likely to  
14 cause confusion, to cause mistake, or to deceive the consuming public as to the source of origin,  
15 source, or affiliation.

16           81.     Trion Worlds seeks a declaration that it has not and does not infringe any of  
17 Palladium Books' rights in the Marks and has not and does not engage in any false designation  
18 of origin or unfair competition under 15 U.S.C. § 1114, 15 U.S.C. § 1125.

19                   **SECOND CLAIM FOR RELIEF**

20                   **Declaratory Judgment Act, 28 U.S.C. § 2201**

21           **Declaration that the '353 Registration is Descriptive and Lacks Secondary Meaning**

22           82.     Trion Worlds incorporates by reference paragraphs 1 through 81 above as  
23 though fully set forth herein.

24           83.     An actual and justiciable controversy has arisen and now exists between Trion  
25 Worlds and Palladium Books concerning whether Trion Worlds is infringing Palladium Books'  
26 '353 Registration.

27           84.     Trion Worlds desires a judicial determination of its rights and duties and a  
28 declaration as to the parties' rights and obligations with respect to whether the '353 Registration

1 is merely descriptive and lacks secondary meaning, and whether Palladium Books has any  
2 protectable rights in its '353 Registration.

3 85. A judicial determination is necessary and appropriate at this time under the  
4 circumstances so that Trion Worlds may ascertain whether the '353 Registration is merely  
5 descriptive and lacks secondary meaning, and whether Palladium Books has any protectable  
6 rights in its '353 Registration.

7 86. Trion Worlds seeks a declaration that Palladium Books' '353 Registration is  
8 merely descriptive, lacks secondary meaning, and is not entitled to trademark protection under  
9 the Lanham Act or common law.

10 **THIRD CLAIM FOR RELIEF**

11 **Cancellation of Federal Registrations Under 15 U.S.C. § 1064 and 15 U.S.C. § 1119**

12 87. Trion Worlds incorporates by reference the contents of paragraphs 1 through 86  
13 above as though fully set forth herein.

14 88. On information and belief, Palladium Books engages in a pattern and practice of  
15 fraudulently procuring, maintaining and renewing trademark registrations that exceed the scope  
16 of what Palladium Books' evidence of use can support. Accordingly, Trion Worlds is seeking  
17 the cancellation of multiple registrations owned by Palladium Books.

18 89. As outlined above, Palladium Books' '806 Registration was obtained through  
19 fraud, maintained and rendered incontestable through fraud, and renewed through fraud. The  
20 '806 Registration is therefore invalid and should be cancelled in its entirety pursuant to 15  
21 U.S.C. § 1064 and 15 U.S.C. § 1119.

22 90. As outlined above, Palladium Books' '181 Registration was obtained through  
23 fraud and is invalid. The '181 Registration should be cancelled in its entirety pursuant to 15  
24 U.S.C. § 1064 and 15 U.S.C. § 1119.

25 91. As outlined above, Palladium Books' '944 Registration was obtained through  
26 fraud and is invalid. The '944 Registration should be cancelled in its entirety pursuant to 15  
27 U.S.C. § 1064 and 15 U.S.C. § 1119.

28 92. Trion Worlds is being damaged by the fraudulently-obtained '806, '181, and

1 '944 Registrations, because those registrations have either been asserted against Trion Worlds  
2 in litigation or may be asserted against Trion Worlds in future lawsuits or  
3 opposition/cancellation proceedings.

4 **PRAYER FOR RELIEF**

5 WHEREFORE, Trion Worlds prays for the following relief:

6 A. For a declaratory judgment that:

7 1. Trion Worlds has not and does not infringe any of Palladium Books' rights in the  
8 Marks and has not and does not engage in any false designation of origin or unfair competition  
9 under 15 U.S.C. § 1114, 15 U.S.C. § 1125; and

10 2. Palladium Books' '353 Registration is merely descriptive, lacks secondary  
11 meaning, and is not entitled to trademark protection under the Lanham Act or common law.

12 B. For an order canceling Defendant's Registered Trademarks Nos. 2,045,806;  
13 3,036,181; and 3,213,944 under 15 U.S.C. § 1064 and 15 U.S.C. § 1119.

14 C. For costs;

15 D. For such other and further relief as the Court may deem just and proper.

16 Dated: June 3, 2010

LATHAM & WATKINS LLP

17 By: Jennifer L. Barry  
18 Jennifer L. Barry

19 Attorneys for Plaintiff  
20 TRION WORLDS, INC.

21 **JURY DEMAND**

22 Pursuant to Rule 38 of the Federal Rules of Civil Procedure and Local Rule 3-6,  
23 Plaintiff demands a trial by jury.

24 Dated: June 3, 2010

LATHAM & WATKINS LLP

25 By: Jennifer L. Barry  
26 Jennifer L. Barry

27 Attorneys for Plaintiff  
28 TRION WORLDS, INC.

## CIVIL COVER SHEET

ORIGINAL

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON PAGE TWO OF THE FORM.)

## I. (a) PLAINTIFFS

TRION WORLDS, INC., a Delaware corporation

## DEFENDANTS

PALLADIUM BOOKS, INC., a Michigan corporation

(b) County of Residence of First Listed Plaintiff San Mateo County  
(EXCEPT IN U.S. PLAINTIFF CASES)County of Residence of First Listed Defendant  
(IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE LAND INVOLVED.

(c) Attorney's (Firm Name, Address, and Telephone Number)

Attorneys (If Known)

PLEASE SEE ATTACHMENT HERETO

JCS E-filing ADR

## II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- ☐ 1 U.S. Government Plaintiff  
☐ 2 U.S. Government Defendant  
☒ 3 Federal Question (U.S. Government Not a Party)  
☐ 4 Diversity (Indicate Citizenship of Parties in Item III)

## III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

- Citizen of This State ☐ 1 ☐ 1 Incorporated or Principal Place of Business in This State ☐ 4 ☐ 4  
Citizen of Another State ☐ 2 ☐ 2 Incorporated and Principal Place of Business in Another State ☐ 5 ☐ 5  
Citizen or Subject of a Foreign Country ☐ 3 ☐ 3 Foreign Nation ☐ 6 ☐ 6

## IV. NATURE OF SUIT (Place an "X" in One Box Only)

CONTRACT	TORTS	FORFEITURE/PENALTY	BANKRUPTCY	OTHER STATUTES
<input type="checkbox"/> 110 Insurance <input type="checkbox"/> 120 Marine <input type="checkbox"/> 130 Miller Act <input type="checkbox"/> 140 Negotiable Instrument <input type="checkbox"/> 150 Recovery of Overpayment & Enforcement of Judgment <input type="checkbox"/> 151 Medicare Act <input type="checkbox"/> 152 Recovery of Defaulted Student Loans (Excl. Veterans) <input type="checkbox"/> 153 Recovery of Overpayment of Veteran's Benefits <input type="checkbox"/> 160 Stockholders' Suits <input type="checkbox"/> 190 Other Contract <input type="checkbox"/> 195 Contract Product Liability <input type="checkbox"/> 196 Franchise	<b>PERSONAL INJURY</b> <input type="checkbox"/> 310 Airplane <input type="checkbox"/> 315 Airplane Product Liability <input type="checkbox"/> 320 Assault, Libel & Slander <input type="checkbox"/> 330 Federal Employers' Liability <input type="checkbox"/> 340 Marine <input type="checkbox"/> 345 Marine Product Liability <input type="checkbox"/> 350 Motor Vehicle <input type="checkbox"/> 355 Motor Vehicle Product Liability <input type="checkbox"/> 360 Other Personal Injury <b>PERSONAL PROPERTY</b> <input type="checkbox"/> 370 Other Fraud <input type="checkbox"/> 371 Truth in Lending <input type="checkbox"/> 380 Other Personal Property Damage <input type="checkbox"/> 385 Property Damage Product Liability <b>PRISONER PETITIONS</b> <input type="checkbox"/> 510 Motions to Vacate Sentence <input type="checkbox"/> 530 General Habeas Corpus: <input type="checkbox"/> 535 Death Penalty <input type="checkbox"/> 540 Mandamus & Other <input type="checkbox"/> 550 Civil Rights <input type="checkbox"/> 555 Prison Condition	<input type="checkbox"/> 610 Agriculture <input type="checkbox"/> 620 Other Food & Drug <input type="checkbox"/> 625 Drug Related Seizure of Property 21 USC 881 <input type="checkbox"/> 630 Liquor Laws <input type="checkbox"/> 640 R.R. & Truck <input type="checkbox"/> 650 Airline Regs. <input type="checkbox"/> 660 Occupational Safety/Health <input type="checkbox"/> 690 Other <b>LABOR</b> <input type="checkbox"/> 710 Fair Labor Standards Act <input type="checkbox"/> 720 Labor/Mgmt. Relations <input type="checkbox"/> 730 Labor/Mgmt. Reporting & Disclosure Act <input type="checkbox"/> 740 Railway Labor Act <input type="checkbox"/> 790 Other Labor Litigation <input type="checkbox"/> 791 Empl. Ret. Inc. Security Act <b>IMMIGRATION</b> <input type="checkbox"/> 462 Naturalization Application <input type="checkbox"/> 463 Habeas Corpus - Alien Detainee <input type="checkbox"/> 465 Other Immigration Actions	<input type="checkbox"/> 422 Appeal 28 USC 158 <input type="checkbox"/> 423 Withdrawal 28 USC 157 <b>PROPERTY RIGHTS</b> <input type="checkbox"/> 820 Copyrights <input type="checkbox"/> 830 Patent <input checked="" type="checkbox"/> 840 Trademark <b>SOCIAL SECURITY</b> <input type="checkbox"/> 861 HIA (1395ff) <input type="checkbox"/> 862 Black Lung (923) <input type="checkbox"/> 863 DIWC/DIWW (405(g)) <input type="checkbox"/> 864 SSID Title XVI <input type="checkbox"/> 865 RSI (405(g)) <b>FEDERAL TAX SUITS</b> <input type="checkbox"/> 870 Taxes (U.S. Plaintiff or Defendant) <input type="checkbox"/> 871 IRS - Third Party 26 USC 7609	<input type="checkbox"/> 400 State Reapportionment <input type="checkbox"/> 410 Antitrust <input type="checkbox"/> 430 Banks and Banking <input type="checkbox"/> 450 Commerce <input type="checkbox"/> 460 Deportation <input type="checkbox"/> 470 Racketeer Influenced and Corrupt Organizations <input type="checkbox"/> 480 Consumer Credit <input type="checkbox"/> 490 Cable/Sat TV <input type="checkbox"/> 810 Selective Service <input type="checkbox"/> 850 Securities/Commodities/Exchange <input type="checkbox"/> 875 Customer Challenge 12 USC 3410 <input type="checkbox"/> 890 Other Statutory Actions <input type="checkbox"/> 891 Agricultural Acts <input type="checkbox"/> 892 Economic Stabilization Act <input type="checkbox"/> 893 Environmental Matters <input type="checkbox"/> 894 Energy Allocation Act <input type="checkbox"/> 895 Freedom of Information Act <input type="checkbox"/> 900 Appeal of Fee Determination Under Equal Access to Justice <input type="checkbox"/> 950 Constitutionality of State Statutes

## V. ORIGIN (Place an "X" in One Box Only)

- ☒ 1 Original Proceeding ☐ 2 Removed from State Court ☐ 3 Remanded from Appellate Court ☐ 4 Reinstated or Reopened ☐ 5 Transferred from another district (specify) ☐ 6 Multidistrict Litigation ☐ 7 Appeal to District Judge from Magistrate Judgment

## VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity):  
28 U.S.C. § 2201; 15 U.S.C. § 1114(a); 15 U.S.C. § 1125(a); 15 U.S.C. § 1064; and 15 U.S.C. § 1119

Brief description of cause:

Civil action seeking declaratory relief of non-infringement, no false designation of origin, and no unfair competition

## VII. REQUESTED IN COMPLAINT:

☐ CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P. 23

DEMAND \$ As Proven

CHECK YES only if demanded in complaint:  
JURY DEMAND: ☒ Yes ☐ No

## VIII. RELATED CASE(S) IF ANY

PLEASE REFER TO CIVIL L.R. 3-12 CONCERNING REQUIREMENT TO FILE "NOTICE OF RELATED CASE".

## IX. DIVISIONAL ASSIGNMENT (CIVIL L.R. 3-2)

(PLACE AND "X" IN ONE BOX ONLY)

☒ SAN FRANCISCO/OAKLAND☐ SAN JOSE☐ EUREKA

DATE

SIGNATURE OF ATTORNEY OF RECORD

**ATTACHMENT TO CIVIL COVERSHEET**

**Section I(c) Attorney's (Firm Name, Address, and Telephone Number):**

**Attorneys for Plaintiff:**

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